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FORUM

INITIATIVES TO MAXIMIZE ECONOMIC AND SOCIAL IMPACTS FROM MAJOR PROJECTS IN THE NORTH

Activities Report 2007-2008
and recommendations

YELLOWKNIFE
2008

NORTHERN DEVELOPMENT MINISTERS' FORUM

Initiatives to Maximize Economic and Social Impacts from Major Projects in the North

Activities Report 2007-2008 and recommendations

Yellowknife, Northwest Territories

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1. THE NORTHERN DEVELOPMENT MINISTERS' FORUM

The Northern Development Ministers' Forum was established at a ministerial meeting held in La Ronge, Saskatchewan, in 2001. Its mission is to advance the diverse and common interests of Northerners and to raise awareness of the accomplishments, contributions, and potential of the North. To carry out its mission, the Forum set five objectives:

- Determine strategic actions, act and provide leadership with regard to these actions in order to promote Northern development.
- Reinforce the North's position in provincial, territorial and national priorities.
- Reinforce cooperation between Northern provincial and territorial authorities and the Government of Canada.
- Exchange information.
- Organize an annual conference as a forum for Northern Development Ministers to establish priorities.

2. HISTORY OF THE PROJECT: INITIATIVES TO MAXIMIZE ECONOMIC AND SOCIAL IMPACTS FROM MAJOR PROJECTS IN THE NORTH

In 2003, at the Northern Development Ministers' Forum held in Iqaluit, Nunavut, Québec presented a new proposal for a study on maximizing the economic and social impacts from major projects in the North. The first step, conducted in 2004 and 2005, consisted of inventorying 25 international and 20 national best practices, to guide government and private sector partners. The second step was to develop a proposal for a reference framework. In 2005 and 2006 the working group members completed the reference framework and integrated a monitoring system. In 2006, during the Northern Development Ministers' Forum in Whitehorse, the group recommended suspending its work for two years to give member jurisdictions the opportunity of testing the reference framework. The working group is chaired by Québec and includes representatives from British Columbia and Saskatchewan. The group proceeded to update the information through a new inventory of best practices, to find out about the progress of the projects and their impacts in Northern regions.

3. OBJECTIVE OF THE STUDY

The objective of the study is to update information on initiatives aimed at maximizing the economic and social impacts of major Northern projects. Inventorying best practices again will provide information about the projects' progress and their impacts in Northern regions. It will also reveal whether the reference framework and the monitoring system have been used and whether other components have been added to maximize economic and social impacts.

4. THE APPROACH

4.1. SURVEY

To compile the results of this survey, the working group prepared a questionnaire. The first part of the questionnaire inquired about the projects and progress made. The second part assessed the reference framework, asked which components of the framework were used for the project, and whether new aspects helped maximize impacts in the region. The last part addressed the monitoring system, and investigated the indicators used to measure the effects of the project and their outcomes to date.

4.2. PARTICIPANTS

Eight provinces and territories answered the questionnaire: Alberta, British Columbia, Manitoba, Newfoundland and Labrador, the Northwest Territories, Ontario, Québec and Saskatchewan. Contacts were established by email, and letters were written to members of the Northern Development Ministers' Forum working group. The members then contacted organizations, businesses or ministries to help fill out the questionnaire.

5. RESULTS OF THE SURVEY

5.1. PROJECTS

5.1.1. PROJECT DESCRIPTION AND STATUS

The authors of this report asked respondents to present a major project in their jurisdiction under development or completed. The projects selected focused on mining, transportation, construction of a hydroelectric dam, development of a

Northern strategy, and a training and employment program for Aboriginal workers for the construction of a power plant.

The projects analyzed in this report and their status include:

- Reconstruction of an interchange in British Columbia, completed in 2004;
- Newfoundland and Labrador's Northern Strategic Plan, published in 2007;
- Mining, since 2005, of the Voisey's Bay nickel-copper-cobalt deposit (Newfoundland and Labrador);
- Ekati and Diavik diamond mines in the Northwest Territories, which have been in operation since 1998 and 2003 respectively;
- Eastmain-1-A and Sarcelle project in Québec, which will be commissioned in 2012;
- Uranium mining in Saskatchewan—the world's largest producer; today, the province has three uranium mines and three mills; a fourth mine is under development;
- Manitoba Hydro's training and employment program which began in 2000-2001 and is still in operation; the project should end in 2009-2010, but discussions are underway to extend it for one year;
- Oil sands developments in Alberta - as of December 31 2007, there were 33 companies representing 84 projects approved under the Oil Sands Royalty Regulation 1997;
- Ontario's Northern Prosperity Plan, with the following initiatives: Northern Ontario Heritage Fund Corporation; Grow Bonds; GO North; Northern Development Councils.

5.2. THE FRAME OF REFERENCE

5.2.1. THE FRAME OF REFERENCE

The Northern Development Ministers' Forum maintains that the ultimate objective of maximizing economic and social impacts of major projects is to improve the well-being of Northern populations. The reference framework defined by the working group is based on a comprehensive concept of maximizing economic and social impacts. The concept has three major facets: standard of living, living environment and quality of life.

In 2003 and 2004 the Forum's work led to the conclusion that there is a significant link between maximizing economic and social impacts from Northern development projects and sustainable development. In this perspective, the reference framework integrates the maximizing objective, the concern for community integration, and the principles of sustainable development. The framework includes seven components and their implementation methods:

REFERENCE FRAMEWORK

COMPONENTS	IMPLEMENTATION METHODS
1. Mobilization of resources	▪ Explicit statement in writing of the intention to endorse the maximization objective ▪ Formal creation of a joint, multilateral maximization committee ▪ Planning of operations ▪ Planning of management practices ▪ General planning ▪ Planning to maximize impacts that are useful to the local community ▪ Planning for the effective use of resources ▪ Definition of human, natural, financial and other resources required by the project ▪ Definition of such resources required by, or available from, the promoter(s), government(s), and civil society
2. Intention of the promoter	▪ Explicit statement in writing of the promoter's intention to endorse the maximization objective from a sustainable development perspective ▪ Validation of the intention expressed by the promoter through consistent attitudes and behavior ▪ Signing of cooperation and partnership agreements for committing the resources ▪ Planning of measures to mitigate negative impacts on the environment and on the local community ▪ Implementation of policies and programs to maximize advantages for the region
3. State intervention	▪ Validation of the expressed intention through appropriate interventions ▪ Explicit statement in writing of the public authorities' intention to endorse the maximization objective from a sustainable development perspective ▪ Set goals, expectations, policy and legislative frameworks for development and the management of development in the North ▪ Ensure that information and financial resources to access and use such information are available ▪ Regulatory readiness in terms of planning, arbitration, monitoring, regulation and enforcement
4. Community involvement	▪ Explicit statement in writing of the local community's intention to endorse the maximization objective from a sustainable development perspective ▪ Commitment by the local community to roles and

	responsibilities at all stages of the project's development, including the statement of opinions, concerns, questions, requests, claims and requirements ▪ Set-up of communication networks between the community representatives ▪ Set-up or existence of public meeting venues ▪ Support for representation and participation ▪ Development of career and ad hoc education ▪ Support for starting up businesses ▪ Support for business conversion and growth ▪ Access to information about business opportunities ▪ Encouragement for joint management ▪ Access to information, knowledge resources, financial resources and decision-making
5. Capacity building in the community	▪ Signing of cooperation and partnership agreements for committing the resources ▪ Access to information on best practices in relevant fields of activity ▪ Willingness to question conventional practices ▪ Design, experimentation, fine-tuning and application on an ongoing basis of a monitoring system, including a maximization index ▪ Identify issues, monitor development, express ideas and concerns ▪ Education ▪ Contracts and employment for local residents ▪ The capacity to undertake contracts and jobs, as well as to develop additional or spin-off opportunities ▪ Ad hoc and customized education
6. Integration of innovative practices	▪ Access to information on best practices in relevant fields of activity ▪ Willingness to question conventional practices ▪ Signing of cooperation and partnership agreements for committing the resources ▪ Include human, natural and economic perspectives ▪ Alternative models or relationships ▪ Partnership with academic circles and the education sector
7. Monitoring system	▪ Design, experimentation, fine-tuning and application on an ongoing basis of a monitoring system, including a maximization index ▪ Signing of cooperation and partnership agreements for committing the resources ▪ Social, economic, environmental and cultural indicators ▪ Allow adjustments to projects ▪ Identify and mitigate negative impacts ▪ Identify and enhance positive impacts ▪ Monitor medium- and long-term impacts

5.2.2. THE FRAME OF REFERENCE USED BY THE PARTICIPANTS

The questionnaire asked what elements of the reference framework were used for the projects under study. The intention of the promoter and the integration of innovative practices are components that exist in all the projects. They are followed by mobilization of resources, state intervention and community involvement.

Lastly, six projects have contributed to capacity building in the community and include the implementation of a monitoring system.

Component	Use
Mobilization of resources	7/8
Intention of the promoter	8/8
State intervention	7/8
Community involvement	7/8
Capacity building in the community	6/8
Integration of innovative practices	8/8
Monitoring system	6/8

It should be noted the objective of maximizing impacts from major projects involves justifying and enhancing the maximum use of resources, be they human, financial, informational, technological or other. The project promoters ensure that local and regional communities are involved throughout the process. The state is very present in most of the projects. In an evolving context, it establishes environmental assessment mechanisms and practices and rules, while developing local or international agreements, in order to contribute to harmonizing certain practices inside and outside its borders. It should be noted that the communities are involved and very interested in the projects.

The development of these projects is still evolving and distancing itself from traditional development models. In fact, taking the human environment into consideration in projects is becoming a factor that includes aspects of standard of living, living environment and quality of life. Lastly, monitoring the initiatives is the cornerstone of success in maximizing the impacts of the projects. It is therefore possible to conclude that the components of the reference framework are widely used, depending on the phase of the project.

5.2.3. ADDITIONAL UNDEVELOPED ASPECTS THAT MAXIMIZE IMPACTS

The questionnaire asked whether other aspects, not listed in the reference framework, were used to maximize economic and social impacts from major projects in the North. Most of those noted were part of the reference framework, in the implementation methods. However, it is important to mention them, since these aspects primarily define the quality of relationships between the organization, the government and/or the communities, as well as their commitment.

DUTY TO CONSULT:

For a number of years, several Aboriginal and non-Aboriginal communities have shown interest in taking part in major economic development projects. On the Aboriginal side, when a project affects territory or rights, they may ask for amendments, financial compensation or even the cancellation of a project considered detrimental. These requests are based on recent changes in jurisprudence in terms of Aboriginal rights. In relation to the reference framework, the mobilization of resources, community involvement and intention of the promoter also stress the importance, but not the duty, to consult the communities in order to maximize impacts.

INDUSTRY MEMORANDUM OF UNDERSTANDING WITH FIRST NATIONS AND/OR ECONOMIC DEVELOPMENT DEPARTMENTS:

Memoranda of understanding allow the project promoter to make a commitment to implement measures that will meet Aboriginal needs and maximize local and regional impacts. When these agreements involve economic development organizations, the support, coordination and consultation among the various players is carried out in a perspective of job creation and economic prosperity.

GOOD COOPERATION BETWEEN GOVERNMENTS AND MINISTRIES:

State cooperation in maximizing impacts is one component of the reference framework. In this perspective, it is important for good cooperation to exist between the governments and ministries to accelerate the implementation, development and accomplishment of major projects. For example, in Alberta, the Oil Sands Sustainable Development Secretariat collaborates with ministries, industry, communities, and stakeholders to address the social, environmental and economic impacts of oil sands development. In Ontario, information received from Northern Development Councils is provided to government ministries so that they can develop initiatives and policies to meet Northern needs.

GOOD COOPERATION BETWEEN THE ORGANIZATION AND THE GOVERNMENT:

Cooperation between the government and a promoter depends primarily on the latter's willingness to establish the relationship. For example, in Newfoundland and Labrador, Vale Inco provides the government with quarterly reports of its project's industrial and employment benefits. The document presents the number of Aboriginal employees. It also includes the company's expenditures on goods and services as well as a breakdown of local and regional purchases. The Athabasca Regional Issues Working Group continues to operate as an industry funded, non-

profit group formed to facilitate solutions to shared issues related to the Alberta oil sands region, using an issue-management process and committee structure.

In addition, the two organizations must approach each other in the early stages of developing and adopting the frame of reference, in order to maximize economic and social impacts in the communities.

TRANSPARENCY AND ACCOUNTABILITY MODEL:

By definition, transparency involves clarity and justification of actions. In fact, this reality can vary, making it difficult to quantify. Transparency depends on the intentions of a project's stakeholders. Accountability contributes to a certain transparency, since when an organization implements an accountability system, certain errors can become more apparent. These aspects are hard to classify under a single theme of the reference framework, since they can fit under the intention of the promoter, community involvement and state intervention at the same time. For example, in Alberta, the Energy Resources Conservation Board regulates safe, responsible, and efficient development of Alberta's energy resources, including oil, natural gas, oil sands, coal, and pipelines.

TRAINING PROGRAMS AND CAREER PATHS:

Community capacity building is another factor that influences the maximization of economic and social impacts at the local level. At first glance, this fifth component of the reference framework favours local communities, allowing them to take advantage of the jobs made available by a new project. But, to seize these opportunities, the communities need qualified resources. One of the keys to success of this component is education, which allows the local community to improve professional skills and provides businesses with a qualified workforce.

For example, in the Northwest Territories, the Ekati Diamond Mine's Workplace Learning Program helps Aboriginal employees improve their literacy skills and build self-confidence. Program content is tailored to each participant and is also based on employer expectations. Individual assessments are conducted and one-on-one sessions are offered. The training is organized to fit in with work schedules of rotational day and night shifts as well. To date, more than 140 employees have taken part in the program.

In cooperation with the *Southern Alberta Institute of Technology*, the Diavik Diamond Mine in the Northwest Territories provides promising Aboriginal workers with additional training and skills to help strengthen and advance their careers. Since 2005, 26 employees have graduated from the program.

CREATING AN ENVIRONMENT FOR ECONOMIC GROWTH:

Creating an environment for economic growth also includes integrating innovative practices and investing in emerging technologies, improving Northern infrastructure, and improving or providing access to financing to enable Northern businesses and entrepreneurs to start, or expand, new businesses in the North. The Northern Ontario Heritage Fund Corporation has played an important role in improving the communication capabilities of Northern Ontario communities and residents, including young people, by bringing high-speed internet services and cellular service to more remote areas of the region with the assistance of community-based organizations. More efficient connectivity means Northern Ontario communities and residents, including young people, are able to tap into a whole new range of opportunities in education, health care, culture and business. To date, the Heritage Fund Corporation has approved over $30 million to bring these services to Northern Ontario.

As can be seen, the additional aspects that have contributed to maximizing economic impacts are already part of the reference framework and contribute to a project's success in the North. In fact, agreements, good cooperation, a transparency and accountability system, training programs, and creating an environment for economic growth are factors that define the quality of relationships between the promoter, the government, and local and regional communities, as well as their commitment. Accordingly, the greater the quality of the relationship established and the more real the commitment, the greater the project's chances of success.

5.3. THE MONITORING SYSTEM

To achieve greater effectiveness and influence the practices of both public and private promoters, the reference framework must include a project monitoring system. Developed in the form of a guide and used on a voluntary basis, this system for measuring maximization based on social, economic, environmental and cultural indicators will track the progress of projects throughout the execution and follow-up phases. Integrated into a trend chart and designed during the project-planning phase, these indicators will enable promoters to keep constant watch over the economic, social, environmental and cultural impacts and make adjustments along the way in order to maximize those impacts. The goal is not to compare projects with each other, but to examine each one individually.

A monitoring system usually makes it easier to integrate projects into the economic, social, environmental and cultural life of communities. It also constitutes a way, adapted to needs and expectations, of mitigating and attenuating impacts as part of mediation with local players, should impacts need to be minimized rather than maximized. It also

measures and validates the short-term impacts of projects planned for the Canadian North, both on the Northern regions themselves and on the Canadian economy as a whole. Medium- and long-term impacts are taken into account to a greater extent in order to ensure the continuity of a project that has positive impacts or to make adjustments in the case of a project that fails to make the grade in terms of sustainable development.

Monitoring of initiatives is therefore an important key to the successful maximization of impacts. In the current state of affairs, monitoring mechanisms usually relate to economic impacts (e.g. the number of jobs created, how many are held by local residents). The effects of projects, especially those relating to social aspects and to integration into the community's way of life, are the most difficult to predict and are usually poorly documented. In fact it is difficult to anticipate the social impacts of a project on a community, since many factors can influence its social environment. A causal connection between the project and social impacts cannot readily be assumed.

The imbalance observed between the economic and social aspects of projects is no coincidence. Generally speaking, we assume that positive economic impacts from projects will automatically result in social impacts that are just as positive. An increase in the standard of living is expected to bring about an improvement in living environment and quality of life. But this is not always the case. There is considerable literature on the identification and monitoring of social impacts of projects in Northern regions which provides evidence that an increase in the standard of living in these communities can lead to deterioration in family living conditions, increased social differentiation, crumbling of social cohesion, amplification of exclusion, increase in stress and other similar phenomena.

The monitoring system includes a series of indicators selected on the basis of maximization objectives related to economic or social benefits or to mitigation of negative impacts. Although no comprehensive list of possible indicators exists, it is easy to deduce some of the characteristics sought.

5.3.1 Social and economic impacts of projects on local communities

Major projects in Northern Canada have the potential to contribute to significant social and economic impacts on local communities. In many cases the impacts are more easily monitored and tracked (e.g. economic, education and training). However, social impacts, while observable, may be difficult to quantify. Jurisdictions had the opportunity to identify impacts made by major projects in their Northern regions; a summary of some of the impacts are listed below:

- **Economic impacts**: the major projects have significant economic impacts in Northern regions, including increased employment of Northerners and increased provision of goods and services by Northern businesses. Examples include:

- Ekati Diamond Mine in the Northwest Territories created 1,034 person years of employment (60% Northerners), and purchased $326 million of goods and services from Northern businesses in 2006.
- Diavik Diamond Mine employed 735 workers (68% Northerners) and spent $379 million with Northern firms.
- The Northern mining industry in Saskatchewan employed 1,481 mine and contract employees from Northern Saskatchewan, 51.7% of all employees in 2007. In 2006 Northern mines purchased $222.6 million in goods and services from Northern businesses.
- Eastmain 1-A and Sarcelle project in Québec had purchases and contracts worth $66.7 million ($20.1 million from the Crees and Jamésiens). In addition, contractors and sub-contractors worked 80,943 hours and earned $3.8 million.
- The Hydro Northern Training and Employment Initiative in Manitoba employed 314 workers (56% Northern Aboriginal residents) in its early construction phase. As well, six Joint Venture / Direct Negotiated Contracts for Nisichawayasihk Cree Nation represent 150 jobs.
- Oil Sands Development in Alberta - According to the Athabasca Regional Issues Working Group, in 2006 over 1,500 Aboriginal people were directly employed by oil sands developers or as contractors, which is nearly a 60% increase since 1998. The value of contracts between the oil sands industry and Aboriginal companies in 2006 was $412 million.
- As part of Ontario's Northern Prosperity Plan: 1) the Northern Ontario Heritage Fund Corporation, since 1988, created or retained 8,470 jobs; leveraged $742,066,229; and assisted 1,240 young people; 2) the Northern Ontario Grow Bonds Business Loans program, since 2005, created or sustained 493 jobs and leveraged $3 for every $1; 3) the GO North Investor Program, over the past three years, created 1,040 jobs three anchor investments and 105 community projects.

- **Education and training / Workforce development impacts**: in many cases, major projects contributed to workforce development. Positive impacts include expansion of education, training, infrastructure, and programming, as well as increased education, training, and skill levels that improved qualifications and employability, career development opportunities and worker confidence. In Manitoba, the Hydro Northern Training and Employment Initiative has resulted in 1,600 people participating in training activities since 2001-2002. Fifteen trainees have been certified, and 146 active apprenticeships are in progress.

- **Infrastructure impacts: the major project may be an infrastructure development or** improvement project, such in the case of British Columbia's Chilliwack-Vedder Interchange Reconstruction project. In other cases, infrastructure developments result from generous financial contributions. In Newfoundland and Labrador, Voisey's Bay Mine / Mill project contributed $30 million to the construction of the Labrador Health Centre. In Alberta, the Athabasca Regional Issues Working Group reported that the provincial government

had announced $1.9 billion for infrastructure developments in the Athabasca Oil Sands region.

- **Cultural and community well-being impacts:** many projects contribute to community well-being through financial contributions, or policies and practices to help protect cultural and community well-being.

- **Capacity building:** Several capacity building initiatives are taking place across Canada's North. Examples of capacity building initiatives include:

  - in Manitoba, the Hydro Northern Training and Employment Initiative is designed to foster partnership and collaboration through the establishment of an arms-length Aboriginal-led entity: the Wuskwatim and Keeyask Training Consortium Inc;
  - a positive impact of the Eastmain 1-A and Sarcelle project (Québec) is increased mobilization of regional elected officials and economic stakeholders to maximize economic spin-offs;
  - in Saskatchewan, Northern communities are actively involved in the uranium sector through the Environmental Quality Committee program and other initiatives;
  - improved communication networks and partnerships with Aboriginal governments in Newfoundland and Labrador.

- **Other impacts:** other impacts are often difficult to measure and include: improved partnerships and communication networks with Aboriginal governments; improved programs and services (and accessibility) to meet the needs of Northern and Aboriginal communities; improved capacity-building through Northerner involvement in various sectors; effective industrial and local community relations or environmental protection impacts. In Ontario, indicators used to measure impacts of the Northern Development Councils include satisfaction to provide input (approximately 80%); diversity of input (100% input from groups directly impacted); and number of people participating in community dialogues.

5.3.2. INDICATORS

When developing a monitoring system, certain characteristics can be taken into consideration when choosing indicators, specifically:

- They must be simple and relevant.
- They must be understandable to stakeholders.
- They must not require too many resources in terms of monitoring.
- They must be comparable over time.
- They must be available for the geographic area under consideration.

Other lessons previously learned by the Northern Development Ministers' Forum when developing a monitoring system include:

- Collaborate with relevant stakeholders and local communities.
- Establish the monitoring system at the beginning of the project, but allow flexibility to adjust and fine-tune indicators as the need arises.
- Vale Incorporate regular monitoring and reporting throughout the life of the project.
- While monitoring systems may be flexible to meet project / industry / regional needs, a comprehensive framework with core indicators may enable cumulative impact monitoring.
- Securing adequate resources continues to be a challenge associated with monitoring. Signing partnership agreements to commit to monitoring may be one solution.

One potential area of improvement previously identified was to increase information sharing about developing monitoring systems, including accessing new research and approaches related to this field.

For the purpose of this report, jurisdictions were given the opportunity of identifying indicators used to measure impacts of the projects, baseline data and results to date. Most of the indicators used were reflected in the summary of indicators previously submitted in the 2005-2006 report. The updated list of indicators follows. In some cases, actual results can be found in published reports. However, in other cases, information was not ready during the preparation of this report, or confidentiality issues prevented results from being published.

5.3.3 New Monitoring System

The following table presents a summary list of indicators from examples submitted for this (and the 2005-2006) report. The list is not exhaustive. Of course, the project promoters and stakeholders must identify indicators relevant to their situation and objectives. While indicators for various categories are listed, the most commonly tracked ones are economic, education, and training indicators.

CATEGORIES	INDICATORS
1. Community Consultations / Collaborative Partnerships ** includes qualitative and quantitative indicators*	▪ Public consultation / acceptability - Number of consultations - Progress on consultations - Satisfaction with opportunity to provide input - Diversity of input - Number of people participating in community dialogues ▪ Number of collaborative partnerships ▪ Amount of money spent on consultations and monitoring ▪ Number of people reached by public awareness campaigns
2. Economic a. Business Development / Procurement	▪ Number of new business start-ups ▪ Number of joint ventures ▪ Number of business bankruptcies ▪ Number of registered businesses / types of services by category ▪ Amount and percentage of goods and services purchased from Northern and/or Aboriginal businesses/suppliers ▪ Contracts awarded to Northern and/or Aboriginal organizations, contractors, or workers
b. Capacity Building / Training	*Short term* ▪ Participation in collaborative training partnerships with educational institutions, businesses, industry associations and governments ▪ Number of training programs offered ▪ Graduation / completion rates ▪ Number and percentage of work hours dedicated to training and development ▪ Number of trainees who become employed; number of trainees who enter apprenticeship and progress to journeyperson level ▪ Employee satisfaction with trainee skills *Long term* ▪ Educational attainment - number of people 15 years old or older with less than grade 9; high school diploma; post-secondary certificate or diploma; university degree
c. Employment	*Short term* ▪ Number of jobs or person-years of employment created or maintained (direct employees, contractors, sub-contractors) ▪ Number or percentage of Northerners and/or

d. Local / Regional Economy	Aboriginal employees hired ▪ Amount spent on the workforce by contractors or sub-contractors ▪ Number or percentage of males and females hired ▪ Employment by skill level/job classification ▪ Number of workers who continue to work in Northern communities. *Medium to long term* ▪ Employment participation rates ▪ Unemployment rates ▪ Wages and salaries, by employees from region ▪ Average income overall and by age category; portion of high income earners ▪ Number of income assistance cases ▪ Gross domestic product ▪ Tax revenue ▪ Affordability index – median (or modest) family income and cost of living compared to other comparator communities ▪ Number of community projects ▪ Number of anchor investments ▪ Awareness of opportunities among potential investors
3. Social	
a. Direct contributions	▪ Amount of investments in local charities, non-profit organizations, local projects, and communities ▪ Level of participants, by residents accessing funding
b. Community Involvement	▪ Number of active volunteers in community
c. Health	▪ Health centre / clinic availability (size, programs, participation, number and types of services available, health demographic of patients served) ▪ Number of physicians per "X" population ▪ Teen birth rates ▪ Number of children in care ▪ Number of suicides ▪ Life expectancy ▪ Types and frequency of communicable diseases ▪ Family violence
d. Housing	▪ Number of households ▪ Number of residents per household ▪ Percentage of social housing ▪ Vacancy rate ▪ Household demographics (married, common-law, single, divorced, etc.) ▪ Percentage of housing with full plumbing and heating systems
e. Public Safety	▪ Overall crime rate; number and types of crimes ▪ Recidivism rates

f. Recreation	▪ Number of police officers ▪ Caseload of probation officers ▪ Number and type of victim services available, percentage change of use ▪ Number of recreational programs; participation rates ▪ Number of recreational / cultural facilities per "X" population
4. Infrastructure	▪ Number of infrastructure projects / priorities completed. ▪ Amount of funding for infrastructure / leveraged funds
5. Environmental	***depends on project / region (example: greenhouse gases/emissions; environmental assessments approved and ratified).*
6. Cultural	▪ Ratio of home-language use to mother tongue, by major age groups ▪ Number of people, by ethnicity ▪ Percentage of workforce-aged group engaged in traditional activities
7. Other	▪ Progress of commitments, initiatives, or programs ▪ Amount of funding / leveraged funds ▪ Net effect on government

6. CONCLUSION AND RECOMMENDATIONS

This year, the working group's objective was to update information on initiatives aimed at maximizing the economic and social impacts of major Northern projects. Several conclusions can be drawn from the answers to a questionnaire sent to member provinces and territories. First, most of the projects are from diverse sectors. In terms of project advancement, only one has been completed, others are in operation and one more will begin production within the next four years. In addition, all projects used most of the components of the reference framework for maximizing economic and social impacts in the communities. Certain additional aspects developed by the provinces and territories have revealed the relationships that exist between the organizations, governments and communities, as well as their commitments. These aspects can also contribute to a project's success.

Jurisdictions identified a range of impacts made by major projects submitted, including economic, workforce development, infrastructure, cultural, and capacity building impacts. The indicators used to measure the impacts varied by jurisdiction and project, and were designed to meet monitoring needs. The most commonly measured outcomes were economic and workforce development. Social impacts, while important, were more difficult to quantify. For the most part, the summary of indicators mirrors indicators identified in the 2005-2006 report.

The working group's update of information on best practices establishes that the reference framework is relevant. The monitoring system also takes several parameters and types of projects into consideration, which shows its qualities for promoting the maximization of economic and social impacts when major projects are implemented in the North. The group believes that it is important to share this study with industry, governments and communities.

The working group also discovered that the reference framework's usefulness becomes apparent over time. It also believes that the decision to suspend its work for two years made it possible to reach the objectives it set, even though some projects have not yet been completed.

Consequently, the working group is making the following recommendations to the Northern Development Ministers' Forum:

- Make the report accessible to the public.
- Conclude the priority project on initiatives to maximize the economic and social impacts of major Northern projects.

APPENDIX I – LETTER SENT TO PARTICIPATING JURISDICTIONS

Chibougamau, February 8 2008

Dear members,

Economic activity is growing steadily in Northern Canada. Projects representing more than $100 million are under development or on the drawing board. The constant challenge for residents of the North is to maximize the resulting advantages.

In 2004 the Northern Development Ministers' Forum's working group on maximizing economic and social impacts from major projects in Northern communities submitted a report documenting best practices in maximizing the benefits from a variety of projects.

In 2006 the group continued its work by developing an inventory of maximization indicators and drawing up a list of best practices. During the Northern Development Ministers' Forum in Whitehorse, Ministers directed that the work be suspended for two years to give member jurisdictions the opportunity to test the reference framework.

We are now updating the information by inventorying best practices again, to find out about the progress of the projects and their impacts in Northern regions. Your input will enable us to update the data. The first objective of this survey is to find out about the project and its status. The second objective is to assess the reference framework. To help us achieve the objectives:

- First, we would like to know which components of the frame of reference were used for the project and what else has been done to maximize impacts in the region.
- Second, with respect to the monitoring system, we would like to find out which indicators you are using to measure the effects of the project and the outcomes for the indicators to date.
- Lastly, we would like to know whether the most recent maximization report was distributed to your major partners.

We are attaching the list of projects that were identified by each member jurisdiction, their description, the reference framework and the list of indicators for the monitoring system.

To allow enough time to compile and analyze the information, we would appreciate receiving your information by **April 1 2008**. Information provided in electronic form can be sent to the following address:

Elizabeth Harvey
Ministère des Affaires municipales et des Régions
511, route 167, C. P. 70
Chibougamau QC G8P 2K5
Telephone: 1 418 748-7737
Fax: 1 418 748-7841
Email: elizabeth.harvey@mamr.gouv.qc.ca

On behalf of the working group on maximization, thank you for sharing your experiences. The information you provide will contribute to knowledge development and provide member jurisdictions with practical tools to maximize the advantages of major projects.

If you have any questions, comments or concerns, please contact me or Ms Sherelyn Caderma by telephone at 306 425-4215 or by email at scaderma@sna.gov.sk.ca

Yours truly,

Elizabeth Harvey
Regional Operations Adviser

EH/ml

APPENDIX II – SURVEY

Northern Development Ministers' Forum
Maximizing the Economic and Social Impacts of Major Projects in the North

The Northern Development Ministers' Forum previously identified best practices to help maximize social and economic impacts of projects, and created an inventory of indicators used by jurisdictions. The purpose of this survey is to assess the frame of reference and identify the progress and impact of the projects on Northern regions.

Jurisdiction: _____ Project: _____

Brief Description of Project:

_____
_____
_____
_____

Status of Project (e.g. How many years has the project been in place? What stage has the project reached? Is the project completed?):

_____
_____
_____
_____

Frame of Reference

The frame of reference identifies seven components to help maximize the social and economic impacts of major projects. What components are/were used for your project? (Please check all that apply; see Appendix A for the complete frame of reference.)

- [ ] Mobilization of resources
- [ ] Intention of the promoter
- [ ] State intervention
- [ ] Community involvement
- [ ] Build capacity in the community
- [ ] Integration of innovation practices
- [ ] Monitoring system

What else is done to maximize impacts for Northern regions?

_____
_____
_____
_____

Monitoring System

What social and economic impacts has the project had on local communities to date?

_____
_____
_____
_____

What indicators are used to measure the impacts of the project? What is the result / outcome for each indicator to date? (Please add baseline data if available. If more space is needed, please feel free to add additional pages.)

Indicators	Baseline Data	Results to date

Are there other indicators you think it would be useful to monitor? What are the indicators?

_____
_____
_____
_____

Additional Comments

_____
_____
_____
_____
_____

General Questions: (For the Senior Officials' working group)

Whom did you circulate the report to?

_____
_____
_____
_____

Did your jurisdiction circulate copies of the report: *Initiatives to Maximize Economic and Social Impacts from Major Projects in the North*? (Please check "yes" or "no")

	Yes	No
a) Did you circulate hard copies of the report?		
b) Did you circulate electronic copies of the report?		
c) Did you provide a website link to the report?		

Contact name: _____

Contact number: _____